Recovery of sticky advances extended by banks to sick industrial units

*75. SHRI BHAGATRAM MANHAR:

SHRI MAHENDRA PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether any special measures are to be evolved by banks to speed up recoveries in regard to the sticky advances made to sick industrial units and whether a system of health code is also to be evolved in respect of industrial units; and

(b) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) In order to recovery outstanding dues, banks resort to periodic inspection of stocks, closer follow up of sticky accounts, recall of advances where warranted, take steps towards rehabilitation wherever possible. etc. With a view to help in systematising monitoring and consequently facilitating further follow-up, as also to assess the quality of borrowal accounts. Reserve Bank of India has devised a comprehensive health code system for all borrowal accounts.

According to this system, all the borrowal accounts of the commercial banks are to be categorised and reviewed into 8 categories, namely, (1) Satisfactory, (2) Irregular, (3) Sick|Viable|Under Nursing, (4) Sick; non-viable|sticky, (5) Advances recalled, (6) Suit filed cases, (7) Decreed debts, (8) Debt classified by the bank as bad|doubtful.

Excise Duty outstanding against M/s. ITC Limited

*76. SHRI MUKHTIAR SINGH MALIK: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a press report which appeared in the Hindustan Times of the 5th June, 1986 to the effect that more than rupees one crore is outstanding against M|s. Indian Tobacco Company towards non-payment of excise duty;

(b) if so, what are the reasons therefor;

(c) since when this money is outstanding against this company; and

(d) whether any steps have been taken by Government for the recovery of this money if so, what is the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (c) The Hon'ble Delhi High Court, by an Order dated 1st May, 1986, upheld the Government's contention that excise duty at the effective rate should be deducted from the cum-duty price of cigarettes for the purpose of arriving at the assessable value, whereas the cigarette companies had been contending that excise duty at the tariff rate and not at the effective rate, should have been allowed to be deducted. Consquently a number of cigarette companies including M|s. India Tobacco Company became liable to pay excise duty computed on the